

# The Heritage Foundation **Backgrounder**

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**UPDATE**

## CONGRESS SHOULD CHART A STEADY COURSE IN U.S.-ROC RELATIONS

(Updating *Backgrounder Update* No. 233, "Next Step in China Policy: Upgrade Relations with the Republic of China," December 12, 1994, *Executive Memorandum* No. 390, "On Taiwan, Clinton Trips Over the Great Wall," September 16, 1994, and Asian Studies Center *Backgrounder* No. 132, "Taiwan Should be Allowed to Join the World Community," August 24, 1994.)

The 104th Congress will consider the issue of how far the U.S. should support the Republic of China's bid to gain greater international recognition. On Taiwan, pressures are building for the ROC to declare independence from the mainland—something that would challenge the delicate one-China policy successive American Presidents have followed since enactment of the Taiwan Relations Act (TRA) in 1979. As Congress takes up the issue of Taiwan, it should press for greater international recognition of the growing importance of the ROC without jeopardizing the one-China policy that serves both U.S. interests and the cause of stability in Asia. Taiwan merits greater respect from the United States and others in the international community.

### The Taiwan Relations Act and Congress

U.S.-ROC relations are governed by the Taiwan Relations Act of 1979. Essentially, this Act ended official U.S. recognition of the ROC as the only legitimate government of all of China. Nevertheless, the U.S. maintained important "unofficial" political, economic, and even security ties with the ROC. Under the TRA's aegis, two-way trade between the U.S. and the ROC has grown from \$9 billion in 1979 to an estimated \$44 billion in 1994. The U.S. also has provided the ROC with defense weaponry and technologies needed to keep pace with its changing security needs. At the same time, the TRA has helped democracy to develop on the island to the point where Taiwan's future is now a central issue in domestic political debates.

Over the past year, it has become clear that more needs to be done to broaden relations between the U.S. and the ROC. On September 7, 1994, President Clinton announced several revisions in U.S.-ROC policy. For example, he permitted American representatives to hold direct meetings with their counterparts in ROC government offices on Taiwan. He also allowed the ROC government to change the name of Taiwan's representative offices in the U.S. from Coordination Council for North American Affairs to Taipei Economic and Cultural Representative Office. The Clinton Administration subsequently allowed Secretary of Transportation Federico Peña to attend a December 1994 conference in Taipei sponsored by the U.S.A.-ROC Economic Council as a sign of renewed American commitment to Taiwan.

However, some in Congress believe that the Clinton Administration has not gone far enough. In the 103rd Congress, Senators Jesse Helms (R-NC), Frank Murkowski (R-AK), Paul Simon (D-IL), and others introduced Senate Resolution 270, calling for the speedy and full admission of Taiwan into a wide range of international organizations, including GATT and the U.N., and an upgrading of the U.S. representative of-



fices in the ROC, the American Institute in Taiwan (AIT). This resolution passed the Senate on October 6, 1994. In addition, resolutions advocating U.S. support for the ROC's admission to the U.N. that were introduced in the House last year by Representatives Gerald Solomon (R-NY) and Robert Torricelli (D-NJ) received the combined support of over 190 Members.

This year, Senator Murkowski is expected to pressure President Clinton to permit ROC President Lee Teng-hui to visit the U.S., possibly by proposing legislation asking the Clinton Administration to permit President Lee to attend the annual meeting of the U.S.-ROC Economic Council in Anchorage, Alaska, later this year.

If the Clinton Administration does not comply with their wishes, some Senators may try to force Clinton's hand by amending the Taiwan Relations Act. Amendments requiring Senate confirmation of the highest-level U.S. representative to Taiwan and upgrading the status of the existing American Institute in Taiwan, as recommended in last year's Senate Resolution 270, would violate the terms of the one-China policy and do little substantively to advance U.S. interests. Unlike the nonbinding resolutions already passed by the Senate, these would be binding as law if the President approves. However, it would be unwise to amend the TRA. Such American support would further bolster the PRC's assertion that the U.S. is attempting to divide China. Any rapprochement between China and Taiwan would be delayed unnecessarily.

Nevertheless, Congress can take steps to advance American relations with Taiwan. Both Houses of Congress should adopt resolutions that:

- ✓ **Endorse the ROC's attempt to join the General Agreement on Tariffs and Trade (GATT) based solely on the merit of its application.** Beijing insists that the PRC, as the sole legal representative of China, must enter the GATT before Taiwan even if the ROC meets its economic requirements before the PRC. This means that consideration of Taiwan's application would be conditioned on economic reform in the PRC. This is unfair. While some trade barriers still exist in the ROC, recent trade talks have yielded considerable concessions in agricultural products, industrial goods, and telecommunication systems. For example, Taiwan has agreed to an accelerated timetable for implementing reforms after it has joined the GATT. As a result of these concessions, the U.S. should try to convince other GATT members of the validity of Taiwan's application regardless of the pace of reforms in the PRC.
- ✓ **Call for an increase in Cabinet-level economic, technological, educational, and cultural exchanges with Taiwan.** These exchanges can help resolve disputes over intellectual property rights, enhance prospects for American participation in Taiwan's infrastructure and high-tech development projects, and strengthen U.S.-ROC ties. In the area of cultural and academic exchanges, the U.S. should encourage the expansion of existing ties with universities and research foundations in the ROC.
- ✓ **Allow ROC representatives to call on their American counterparts in government offices, including the State Department.** The current practice is for U.S. and ROC representatives to meet at such "neutral" sites as restaurants and the AIT offices. This is inefficient and demeaning. Permitting ROC representatives to visit the State Department would send a clear signal that the U.S. regards the relationship with Taiwan as vital to its interests in Asia. Considering that American representatives on Taiwan can visit ROC government offices, it also would establish reciprocity in practice.
- ✓ **Support Taiwan's efforts to participate in the United Nations system.** Taiwan's participation would benefit the United Nations. The ROC is a large, prosperous democracy which shares the aspirations espoused in the U.N. Charter. With its technical expertise and financial resources, the ROC could help fund and manage U.N. projects and operations in places like Bosnia, Rwanda, and Haiti. Dual participation by the PRC and Taiwan, albeit with some inequality of representation for the ROC, also could provide Beijing and Taipei with a forum for informal contacts and talks.

- ✓ **Urge Beijing to end its campaign to exclude the ROC from the World Bank, International Monetary Fund, GATT, and other international institutions.** Beijing has used its considerable political and economic influence to exclude Taiwan from international institutions. Beijing views the ROC's efforts to gain membership as an attempt to establish Taiwan's independence in the face of PRC claims to sovereignty over Taiwan. However, the ROC under President Lee Teng-hui has underscored both its commitment to a continuing belief in one China and a willingness to compromise on the issue of its own identity. For example, the ROC participates in the Asian Development Bank as "Taipei China" and as an observer in the GATT under the title "Chinese Taipei." Given the pragmatic and flexible diplomacy shown by the ROC, the international community should support Taiwan's effort to join international institutions.
- ✓ **Allow the ROC to purchase defensive arms based solely on its self-defense needs.** With Beijing facing a potential crisis of legitimacy after Deng Xiaoping's death, Taiwan's security could be at risk. Sensitive to this fact, President Clinton last year forged a compromise with those in Congress who favor unrestricted U.S. arms sales to Taiwan. The deal permits Taiwan to buy a number of new weapons systems made necessary by China's military modernization, but it leaves intact past U.S.-PRC agreements covering U.S. arms sales to Taiwan. These pledge a gradual reduction of U.S. arms sales to the ROC. Given Taiwan's strategic location astride Asia's vital commercial arteries, its growing economy, and the fact that a stable, secure Taiwan contributes significantly to Asia's economic dynamism, President Clinton should reserve the right to supply additional weapons and technology to the ROC if changing circumstances require it.
- ✓ **Permit ROC President Lee Teng-hui to pay an unofficial visit to his alma mater, Cornell University, to receive an honorary degree.** Lifting the restrictions against such a visit is long overdue. A decision to allow the visit would recognize the central role played by Lee Teng-hui in expanding both democratic freedoms and the power of the electorate on Taiwan. However, it must be realized that even an unofficial visit by President Lee on semi-official business—such as to the U.S.-ROC Economic Council meeting in Alaska—could precipitate a crisis with Beijing, which surely would charge the U.S. with violating the one-China principle that has governed U.S.-PRC and U.S.-ROC relations since 1979. Such a crisis could derail the coming negotiations over China's GATT bid and missile proliferation promises. U.S. approval for such semi-official visits, therefore, does not serve the American interest in maintaining a stable and growing relationship with the PRC which contributes to peace in the Taiwan Straits.

## Conclusion

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The TRA has proven remarkably elastic and effective in promoting the development of relations between the U.S. and the ROC. It has provided for Taiwan's security and helped to maintain peace and stability in the Taiwan Straits. Therefore, it should not be amended. However, there is still much that can be done to improve U.S.-ROC relations and enhance Taiwan's international standing. Congress should act now to upgrade U.S. relations with the ROC and to pave the way for Taiwan's participation in such international organizations as GATT and the U.N.

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